

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

THE APPLICATION OF ECHO TELEPHONE)	
COMPANY TO CONSIDER CHANGES WITH)	
RESPECT TO THE EXPENSING OF STATION)	CASE NO. 8339
CONNECTIONS RESULTING FROM THE)	
AMENDMENT OF THE UNIFORM SYSTEM)	
OF ACCOUNTS)	

O R D E R

On November 6, 1981, Echo Telephone Company ("Echo") filed revised tariff sheets with the Commission wherein it proposed changes to its tariff pursuant to the Commission's Order entered September 28, 1981, authorizing it to recover increased operating costs caused by the expensing of station connections. By Order entered November 19, 1981, the proposed tariff was suspended for 5 months effective November 26, 1981, to allow the Commission to investigate its reasonableness.

In the Order of September 28, 1981, Echo was directed to adopt the phase-in approach to the expensing of station connections and to maintain its records in Account 232 of the Uniform System of Accounts as directed by the Federal Communications Commission in its Order of March 31, 1981, in Docket No. 79-105. Echo was further granted the authority to file tariffs on or after October 1, 1981, 1982, 1983, and 1984, to recover the increase in operating costs caused by the expensing of station connections.

FINDINGS AND ORDER

The Commission, after consideration of this matter and being advised, is of the opinion and finds that:

1) The return on equity for the 12 months ending September 30, 1981, as computed from schedule A-1 of Echo's notice is approximately 13.75 percent.

2) Absorption of any portion of the increased operating costs caused by the expensing of station connections would materially impair Echo's ability to earn the 13.75 percent stated return on equity authorized by Order in Case No. 7902, dated December 19, 1980;

3) The station connection charges proposed by Echo are compensatory and will provide revenues to offset increased operating costs caused by the expensing of station connections. The revenues required to offset the increased expenses pursuant to the change in station connection accounting under the first year of the 4-year phase-in are \$53,935.

4) The rates and charges in Appendix A, as proposed by Echo, are fair, just and reasonable rates and charges for Echo to charge its customers for service connections.

5) The Order in this matter entered September 28, 1981, should be amended to the extent that should Echo file tariffs, such tariffs for the second, third, and/or final phase of the expensing of station connections must be filed not later than October 1, 1982, 1983, and 1984, respectively.

IT IS THEREFORE ORDERED that effective with the date of this Order, Echo be and it hereby is authorized to place into effect the rates and charges in Appendix A.

IT IS FURTHER ORDERED that within 20 days of the date of this Order, Echo shall file its tariffs based on Appendix A of this Order in accordance with the regulations of the Commission.

IT IS FURTHER ORDERED that the Commission's Order entered September 28, 1981, be and it hereby is amended to the extent that Echo is granted the authority to file tariffs to recover the increase in operating costs caused by the expensing of station connections in accordance with that Order not later than October 1, 1982, 1983, and 1984.

IT IS FURTHER ORDERED that all other provisions of the Commission's Order entered September 28, 1981, shall remain in full force and affect.

Done at Frankfort, Kentucky, this 4th day of June, 1982.

PUBLIC SERVICE COMMISSION

Martin M. Voth
Chairman

Katherine Randall
Vice Chairman

Jim Carver
Commissioner

ATTEST:

Secretary

APPENDIX A

APPENDIX TO AN ORDER OF THE PUBLIC SERVICE COMMISSION IN CASE NO. 8339 DATED JUNE 4, 1982.

The following rates and charges are prescribed for the consumers in the area served by Echo Telephone Company. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the date of this Order.

Service Connection Charges

	<u>Residence</u>	<u>Business</u>
1. Service Ordering Charge		
Initial Order	\$ 16.75	\$ 16.75
Subsequent Order	13.75	13.75
2. Line Connection Charge, each	4.75	4.75
3. Premise Visit Charge	12.50	12.50
4. Premise Wiring Charge		
First Outlet	10.75	13.00
Each Additional Outlet	9.00	13.00
Preinstalled Wiring		
First Outlet	6.00	-
Each Additional Outlet	4.00	-
5. Station Connection and Handling Charge		
Each Telephone or Terminal Equipment	5.00	5.00
6. Jack Charge, Each Jack		
Desk	3.00	3.00
Wall	6.50	6.50